

DRIEHAUS, KILROY CALL FOR RENEWED FOCUS ON SMALL BUSINESS RECOVERY

Lawmakers Push Administration to Expand Small Business Lending

WASHINGTON, DC—Representatives Steve Driehaus (D-OH) and Mary Jo Kilroy (D-OH) have called for improved and expanded loan programs for small businesses as part of ongoing efforts to create jobs and promote economic growth. In a letter to President Obama, Driehaus and Kilroy, along with five additional freshman members of Congress, underscored the importance of small businesses in job creation and recommended using remaining Troubled Asset Relief Program (TARP) funds to extend loans to small businesses and reduce the deficit.

“Helping small businesses cut through the red tape and efficiently obtain loans will result in an immediate injection of money into job creation, spurring economic activity without saddling future generations with the cost of bailouts,” wrote the lawmakers.

In recent years, small businesses have generated 64 percent of net new jobs, but small businesses have been responsible for 80 percent of job losses since December 2007. Despite efforts to expand lending, small businesses continue to struggle to obtain access to capital. Driehaus and Kilroy have called for fiscally responsible and economically smart policies to

increase lending to small businesses, infuse capital into the economy, and help promote job creation and economic growth.

Text of lawmakers' letter follows.

The Honorable Barack Obama

The White House

1600 Pennsylvania Avenue

Washington, DC

Dear Mr. President:

Thank you for hosting a White House forum on promoting job growth and economic

development with some of our nation's leading economic, business and labor experts. As we begin drafting legislation to address unemployment, we write to express our support for improved and expanded loan programs for small businesses. Our shared goal of reinvigorating America's small businesses is central to restoring our nation's economic prosperity and stability in the future.

In the past 15 years, small businesses generated 64 percent of net new jobs. Yet they have accounted for 80 percent of job loss since December, 2007.

Small businesses across the country report that banks are not extending credit.

Even businesses with strong records of responsible borrowing are unable to secure loans with the banks they have used for years.

Without sufficient capital, small businesses struggle both to retain and expand their workforce.

To further compound the difficulties businesses are facing in obtaining capital, Small Business Administration (SBA) programs are not filling the void that banks have created in lending, and the American Recovery Capital (ARC) program loans are not reaching enough businesses. Additionally, businesses must document an immediate financial hardship which further deters borrowing under this program.

During the past year, banks worked to shore up their balance sheets by leveraging Troubled Asset Relief Program (TARP) dollars. Yet small businesses continued to face severely limited access to capital. Bank of America announced it will be repaying \$45 billion to the fund, and approximately \$226 billion remains unused in the TARP.

Nevertheless the benefits of the program are not trickling down to the small businesses that want to expand and hire new workers.

Whether the remaining funds are used to extend loans to small businesses or pay down the deficit, we advocate for fiscally responsible policies that make our nation's small business economy a top priority.

Helping small businesses cut through the red tape and efficiently obtain loans will result in an immediate injection of money into job creation, spurring economic activity without saddling future generations with the cost of bailouts.

As your administration works with the Congress to stimulate employment and job creation, we respectfully request your consideration of responsible fiscal policies and improved, efficient loan programs that will reinforce America's small business economy.

Thank you for your attention to this matter, and we look forward to working with you in the coming months.

Sincerely,

Steve Driehaus (D-OH)

Mary Jo Kilroy (D-OH)

Chellie Pingree (D-ME)

Gerald E. Connolly (D-VA)

Ben Ray Luján (D-NM)

Kurt Schrader (D-OR)

Eric J. J. Massa (D-NY)

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